OMNI - palladium
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Subject: 'Safer' cigarette uses autocatalyst palladium

The article below discusses the use of palladium in Vector's Omni cigarette.

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'Safer' cigarette uses autocatalyst palladium

By Alden Bentley

NEW YORK, Nov 16 (Reuters) - A so-called ``safer'' cigarette is coming down the pike that intrigues the platinum group metals (PGM) business because the tobacco is laced with palladium, a rare metal used mainly to remove pollutants from automobile exhausts.

But curious PGM refiners and dealers guessed that unless the cigarette catches on like wild fire, the palladium content will not be enough to strain supplies or cause a run on the metal like when vehicle makers fought earlier this year to procure it.

The Omni cigarette introduced by Vector Group Ltd. last week is the only U.S. brand so far to look to the chemistry of catalytic converters, in which palladium is very efficient in cleaning tailpipe gasses, especially from gasoline engines.

``You would have to say, with the experience that we have from the auto industry's colossal move into palladium, that any sector which accelerates its requirement for a fairly illiquid metal like palladium must be very confident of its ability to obtain supplies at reasonable prices,'' said a palladium market analyst at a major refining company.

Indeed, Vector, which owns number-five U.S. tobacco maker Liggett Group Inc, has already secured enough palladium to cover its manufacturing needs for ``the next long while,'' said Carrie Bloom of public relations firm Citigate Sard Verbinnin, which handles inquiries for Vector.

The auto industry has been seeking substitutes for palladium because of extreme price volatility and erratic supplies from Russia, which produces 65 percent of the world's palladium.

Palladium costs about $320 an ounce, up from $120 in 1997 before auto use took off. But just 10 months ago prices were at their highest ever, near $1,100.

Bloom declined to specify how much palladium is used per cigarette, or how many packs of Omni it expects to sell. But the amounts of palladium metal and palladium ion applied to the leaf are minuscule.

She said the palladium did not affect the taste of Omni. ``We've gotten really positive feedback on taste.''

Using an expensive metal has not raised the cost per pack, which is comparably priced with other premium brands. It has been introduced in retail stores around the United States in three formats: full-flavor, lights and ultra lights, in both kings and 100s.

Source: https://www.industrydocuments.ucsf.edu/docs/yldk0001

Vector says Omni has 15 to 60 percent fewer of the most dangerous toxins. The three groups of carcinogens that have been significantly reduced are polycyclic aromatic hydrocarbons (PAHs), nitrosamines and catechols, the major causes of lung cancer in smokers.

``While there is no such thing as a safe cigarette, we believe that if you do smoke, Omni is the best alternative,'' Vector Chairman and CEO Bennett LeBow said in a statement last week.

But without hard data on the palladium content, palladium experts said they still had questions about health risks associated with palladium and its sister metals.

Ross Norman of TheBullionDesk.com, a UK-based consultant to the PGM trade, said palladium was an irritant, citing a temporary condition known as platinosis in which refinery workers develop reactions to palladium dust resembling eczema and asthma.

``In principle it would sound sensible that one uses something like the catalytic technology on a cigarette,'' he said. ``But the working was slightly different (from catalytic converters) and how can you have tobacco treated with palladium and not injest it?''

Vector chemists, according to Bloom, say the concentration of palladium in a pack of Omni is equal to or less, pound per pound, than found naturally in food groups such as bread, meats and green vegetables.

``But you're not smoking a loaf of bread. You're eating a loaf of bread,'' quipped a palladium dealer at a trading firm.

Lab rodents inhaled the equivalent palladium content of 120 million packs of Omni's with no signs of toxicity. 2

Experts said it was too early to calculate tobacco usage in palladium supply and demand trends. Hypothetically, spiking every cigarette on the planet with tiny amounts of palladium could mean enormous potential demand.

``It's a very intriguing question,'' said the analyst.

``It seemed to us that in that kind of situation you couldn't practically mass produce a cigarette like this,'' he said.

Source: https://www.industrydocuments.ucsf.edu/docs/yldk0001